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Baltimore bans contractor for two years over 'utter disregard' for minority business rules

Adam Willis

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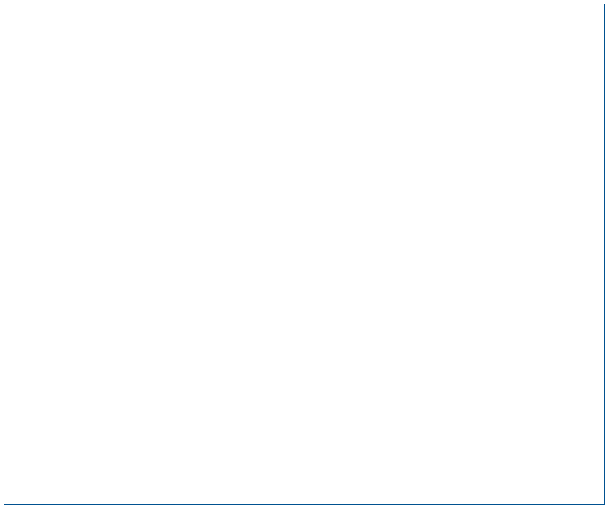
The exterior of Baltimore City Hall as seen on Monday, Feb. 13. (Ulysses Muñoz/The Baltimore Banner)

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Baltimore leaders imposed rare sanctions Wednesday on a longtime business partner for repeatedly failing to make timely payments to a West Baltimore company, a decision they hope sends a signal about the city's commitment to upholding requirements for women- and minority-owned businesses.

The city's five-member Board of Estimates unanimously approved a two-year ban on contracts with the New Jersey-based Metra Industries for a series of late payments to a Black-owned subcontractor, and for misrepresenting the reason for these missed payments over a monthslong investigation. Along with the ban, the city cancelled its \$8.4 million water infrastructure contract with Metra, which has done work with the city for over 20 years.



“It’s a new game in town,” said City Council President Nick Mosby after the vote. There have long been “whispers” in Baltimore about large contractors behaving like Metra, but the council president vowed that elected leaders are going to be proactive about protecting minority- and women-owned contractors going forward.

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Metra has long been the subject of scrutiny over its adherence to city contracting requirements with minority- and women-owned businesses, even drawing a rebuke from Mayor Brandon Scott when he was council president. But Wednesday's sanctions came in response to more narrow allegations of repeated late payments to a West Baltimore-based subcontractor called Economic International Construction Company Inc., or EICCI.

A spokesperson for the Department of Public Works, which contracts with Metra, did not respond to a question Wednesday afternoon about total dollar amount for the company's agreements with the city.

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Christopher Lundy, chief of the city Minority and Women's Business Opportunity Office, outlined a series of payments that Metra failed to make to EICCI, in one case taking a full two years to fulfill an invoice. Under the city's regulations, Metra was required to complete payments to the subcontractor within seven days. The office's investigation revealed similar problems with other Metra contracts as well, Lundy said, but board members constrained their decision Wednesday to the EICCI payments.

This pattern of behavior shows an "utter disregard" for the city's minority and women's business program, said Lundy, who requested the maximum two-year ban for Metra. Prior to Wednesday, the city has only sanctioned one other company for its failures to meet minority business

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After months of missed payments, EICCI stopped doing work for Metra, a decision that Lundy said the larger company misrepresented to his office. The city began looking into the situation in March of 2022, and Lundy testified that it was only after the investigation began to threaten Metra's contract with the city that they took serious steps to cover the missed payments. EICCI filed a formal complaint against Metra in October of last year, and didn't receive more than \$40,000 in late payments until December 15.

An attorney for Metra did not dispute the allegations of late payments, but urged the board to consider a lighter penalty. A two year ban on Metra's work with the city is overly severe for late payments on what amounts to a small share of its close to \$560,000 contract with EICCI, especially considering the confusion and delays that were common during the first years of the pandemic, argued Venroy July, Metra's attorney.

The city's perpetual payment problems hindered Metra's ability to fulfill its subcontracts, July said. The attorney disputed some aspects of the city's investigation, as well as the precise amount of total late payments. Metra had withheld payment from EICCI after determining the West Baltimore company was in breach of its contract July said, not realizing at

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the time that the company was still required by city law to fulfill those payments.

“We just think that this is an excessive punishment for this particular wrong,” said July, who argued the Metra ban would have detrimental consequences for the city’s aging water system, as well as downstream impacts for minority- and women-owned businesses, which he said the company is committed to supporting in paying in a timely manner going forward.



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The panel of city leaders balked at Metra’s explanations, accusing the company of “deception” and questioning July’s suggestion that tens of thousands of dollars in late payments shouldn’t warrant a severe penalty. That amount of money makes a big difference to many of the city’s minority-owned businesses, Acting City Solicitor Ebony Thompson said. “It is a big deal.”

Growing stern with July at one point, Comptroller Bill Henry said he was impressed that Lundy was able to get through his entire presentation without uttering a few choice words: “They lied.”

In a statement ahead of Wednesday’s meeting, EICCI attorney Thiru Vignarajah celebrated the expected sanctions against Metra. “It shouldn’t take this much to prompt the city to do the right thing. But better late than never,” he said.


Vignarajah, who has run unsuccessful campaigns for mayor and state’s

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attention to Metra's track record of missed payments to his client.

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City terminates \$150M infrastructure contract after late payments

Updated: 6:48 AM EDT Mar 16, 2023

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Rachel Duncan ✉

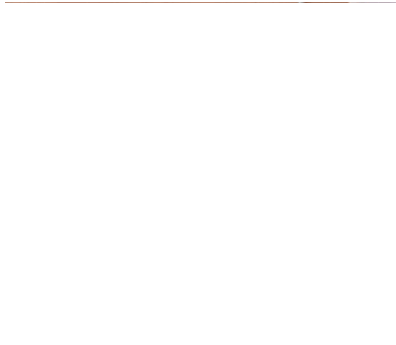
WBAL-TV I-Team producer

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BALTIMORE — A contract worth \$150 million to fix Baltimore's aging infrastructure was terminated Wednesday.

The company involved, Metra Industries, is also banned from doing business with the city for the next two years.



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Leaders said this follows through on the promise to protect minority and women-owned businesses working with the city.

It was a unanimous decision made by Baltimore City's Board of Estimates after an investigation by the Minority and Women's Business Opportunity Office found Metra repeatedly failed to pay subcontractors on time. The office's chief, Christopher Lundy, said in one case, payment came more than a year after the work was finished, and only happened after the city got involved.

"A prime contractor must pay their sub-contractors timely for satisfactory work," Lundy said.

An attorney for Metra admitted to the late payments.

"We acknowledge that we have not always, Metra has not always paid within the seven-day requirement," said Venroy July. "But we need some context here. We all know Baltimore City does not always pay its contractors on time."

July provided several reasons why payments were not paid on time, including the COVID-19 pandemic, confusion over raw material costs, and the small dollar amounts due.

Baltimore City Comptroller Bill Henry says the reaction was appropriate.

"The board did not make this decision lightly, but I stand behind those recommendations 100%," he said.

The city will now solicit bids for a replacement to the work that was being handled by Metra.



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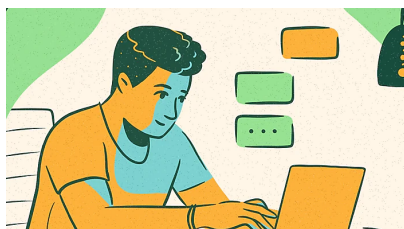
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City Board suspends vendor over late payments to minority subcontractors



Last year the Minority and Women's Business Opportunity Office (MWBOO) launched an investigation into Metra over alleged late payments to subcontractors.

It all started May 9 when Metra sought approval to replace a subcontractor called Economic International Construction Company, Inc. (EICCI).

According to MWBOO, Metra falsely claimed EICCI raised its costs and was no longer available to work the project.

MWBOO says the real reason EICCI couldn't work was because Metra had been months behind on payments, and still owed them thousands.

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"Metra did not acknowledge that EICCI was willing to continue work on WC 1403 if the outstanding balance owed to them was satisfied," said Christopher R. Lundy, MWBOO Chief. "Metra's substitution request stated that the EICCI unavailability was due solely to cost increases."

On October 24 EICCI lodged a complaint against Metra over the late payments. DPW in response refused to process anymore job estimates until Metra satisfied their financial obligations.

About two months later, Metra finally paid EICCI the remaining balance of \$38,483.64.

Per code, primary contractors are required to pay subcontractors within 7-days of being paid by the City.

"It was only when the overall contract funds, that would serve to benefit Metra, were at risk that they took seriously their Code and contractual obligation to pay their subcontractors," said Lundy, who recommended that Metra's contract be revoked and future services suspended.

Metra attorney, Venroy K. July, of D.C. based corporate law firm Dickinson Wright, urged the [board to vote](#) against Lundy's request.

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"The recommendation of Mr. Lundy so far exceeds any notion of reasonableness for the purported wrong actions that it hints of some underlying and alternative basis," [July wrote in a letter to the board.](#)

Although July acknowledged Metra was sometimes late paying, he appeared to call out and blame the City.

"Metra acknowledges that subcontractors are entitled to timely payment on work that has been completed, and while it does not excuse its own late payments, prime contractors are similarly entitled to timely pay for work completed for the City," July wrote. "The City's continuous failure to make timely payments impacted Metra's cash flow and availability of capital, and its ability to make timely payment, particular during and on the heels of the Covid pandemic."

Despite the late payouts, July said Metra actually overpaid EICCI.

"Metra overpaid amounts due to EICCI, but such payment has been misinterpreted by Mr. Lundy without the opportunity for explanation."

July tried boosting Metra's case stating EICCI had already been paid \$558,247.40 for prior work before their complaint was ever filed.

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He also touted Metra's past business dealings with minority subcontractors.

"Metra has utilized and subcontracted with MBEs for an approximate value of \$16,616,106.12 and with WBEs for an approximate value of \$7,813,016.12," said July. "In fact, EICCI, the only subcontractor actually named in Mr. Lundy's recommendation, has been utilized by Metra on such contracts for an approximate value of \$3,633,000 over the same period."

In the end the board still voted against Metra, meaning the company is banned from working on City contracts for the next two-years.

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[Rockland County Sewer Project Stalls in Sloatsburg](#)

Posted on 18 June 2019 by Editor



Many in and around Sloatsburg have wondered just what has happened to the sewer project. Is work active? Will it ever be finished? The most pressing questions are why isn't the project complete and just who is responsible for the debacle?

The Village of Sloatsburg Board of Trustees has had to deal with dissatisfaction with the project, often taking the brunt of criticism for the seemingly endless project. In reality, the board, and Sloatsburg, has been stuck in the middle, caught between the Rockland County Sewer District #1 (RCSD), its contractors, utility companies, and the New York Department of Transportation which has authority over Route 17, while actively partnering with all parties involved and attempting to steer the meandering project to completion.

The years-long Western Ramapo Sewer Project has come up 127 feet short of the finish line.



Sloatsburg Mayor Carl Wright at the site of a large dirt pile on Route 17, where the village is waiting for a stalled sewer extension project to be completed. Peter Carr at pcarr@lohud.com

In September of 2018, work on the last part of the sewer project along Route 7 in north Sloatsburg near Washington Avenue and Route 17 came to a halt when METRA workers, the current RCSD contractor on the project, practically blew themselves up with a misplaced explosive charge. The whole project came to a halt while the incident was investigated and has never re-started, even though Sloatsburg eventually approved METRA's blasting permit.

The whole project has recently collapsed into a complex mess of lawsuits and countersuits that has METRA, the RCSD and utility companies at odds.

Sloatsburg, its residents and those living around the village are left living with the messy situation that has also brought to a halt the New York Department of Transportation Complete Streets Project through Sloatsburg. That project will eventually see a complete repaving of Route 17 through the village, plus any number of additional improvements along the state highway.

The Journal News reporter [Robert Brum](#) caught up with [Sloatsburg Mayor Carl Wright](#), who is rightfully fuming about the sewer project which has more than doubled in cost and has created hazardous conditions along stretches of Route 17 through the village.



Sloatsburg Construction Site Explosion

Town of Ramapo Police Department · [Follow](#)

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The Ramapo Police Department reported that two Metra workers were treated at the scene in September of 2018 during an incident that involved an errant explosive discharge on the Western Ramapo Sewer Project. Local Sloatsburg business CCI, Integrators, Inc. provided Ramapo Police with surveillance video of the area which caught the explosion.

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Sewer contractor demands \$13M from O&R utility for putting it between rock and hard place

By [Bill Heltzel](#) - June 16, 2021

A New Jersey contractor is demanding \$13 million from Orange and Rockland Utilities Inc. for allegedly blocking completion of a sewer project.

Metra Industries Inc. of Little Falls accused the electric and gas utility of fraud, defamation and tortious interference, in a complaint filed June 11 in U.S. District Court, White Plains.

The utility caused "massive delays and cost overruns," Metra claims, "due to O&R's failure to ... relocate its gas mains."



The Rockland County Sewer District awarded Metra a \$14.7 million contract in 2014 to extend a sewer line three miles from a wastewater treatment plant in Hillburn to homes in Sloatsburg.

Time was of the essence, according to the Route 17 Project specifications. The job had to be completed in 365 days.

Parts of the sewer line had to be installed under 15 to 25 feet of ledge rock in a public right-of-way that O&R used for gas lines. Rock had to be blasted and removed.

Plans allowed for low peak particle velocity explosions – a measure of movement or vibration within the ground – so as to prevent damage to existing pipes.

The contract also allowed for the possibility of moving the gas lines, the lawsuit states, and New York law requires utilities to relocate pipes at their own expense when required for public health and safety or convenience.

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Metra states it had installed about 74% of the pipes by February 2016, all in places with little rock. But when it came time to break rock, the project ground to a near standstill.

Metra claims it was not possible to break the rock with low velocity blasts, and O&R refused to move its gas lines.

O&R had previously allowed contractors on other projects to use greater explosions, according to the lawsuit, but the utility would not allow higher velocity blasts for the Route 17 Project.

Metra hired Blasting Analysis International to evaluate whether greater blasts posed risks to the gas lines.

BAI reported that it had never seen an instance where blasting levels at more than twice the velocity specified for the Route 17 Project had damaged buried gas lines, Metra said.

"The job will come to and remain at a standstill," BAI stated in an expert opinion, "because it is not buildable as designed under the current restrictions."

O&R allegedly dictated exactly how Metra should blast the rock, the complaint states, and that plan failed.

Then Metra tried to break the rock with an enormous hydraulic jackhammer mounted on a backhoe. The contractor installed as little as one section of pipe in five days "of banging, chipping and hammering away at the ledge rock." The point of the jackhammer melted and the excavation equipment was degraded, according to the lawsuit.

The Rockland sewer district replaced Metra with Kubricky Construction Corp. in October 2019. More

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As of June 11, six years after work began and nine months after Kubricky broke ground, the project has not been completed, the complaint states, “illustrating the magnitude of the conflict” with O&R.

Metra also alleges that O&R threatened to initiate emergency evacuation procedures if blasting continued, falsely accused the contractor of damaging the gas lines and filed fraudulent insurance claims for nonexistent damage to its gas lines.

“O&R’s bogus damage claims and threats to evacuate the public reflect such wanton dishonesty,” the complaint states, “as to imply a complete indifference to O&R’s civic obligations.”

Consolidated Edison of New York, O&R’s parent company, did not immediately respond to a request for its side of the story.

Metra is represented by Pelham attorney Peter M. Kutil and Virginia attorney C. William Groscup.



Bill Heltzel

Bill Heltzel has covered criminal justice, courts, government and sports – as a beat reporter and investigative reporter – for daily newspapers in Florida, Indiana, Ohio, and Pennsylvania. He worked for Bloomberg LP in training and sales. He joined The Business Journal in 2016.

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